

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	06-0525
Consideration of the federal standard on	:	
interconnection in Section 1254 of the	:	
Energy Policy Act of 2005.	:	

SECOND INTERIM ORDER

By the Commission:

The New Net Metering Statute, Which Requires the Development of Standards Regarding Interconnection

On August 24, 2007, PA 95-420 became law. It added a new section to the Public Utilities Act, Section 16-107.5, which is entitled "Electricity Net Metering." This statute requires electric providers to provide meters that measure the flow of electricity in both directions at the same rate (net meters). (220 ILCS 5/16-107.5(c)). The Net Metering Statute also provides that:

the Commission shall establish . . . standards for the interconnection of eligible renewable generating equipment to the utility system.

(220 ILCS 5/16-107.5(h)). (Emphasis added). Subsection (h) of the Net Metering Statute also provides that:

The interconnection standards shall address any procedural barriers, delays, and administrative costs associated with interconnection of customer-generation while ensuring the safety and reliability of the units and the electric utility system. The Commission shall consider the Institute of Electrical and Electronics Engineers (IEEE) Standard 1547 and the issues of (i) reasonable and fair fees and costs, (ii) clear timelines for major milestones in the interconnection process, (iii) nondiscriminatory terms of agreement, and (iv) any best practices for interconnection of distributed generation.

(*Id.*). “Interconnection” concerns retail electric customers that own or operate “a solar, wind or other eligible renewable electrical generating facility with a capacity of not more than 2,000 kilowatts that is located on the customers premises . . . intended primarily to offset the customer’s own electrical requirements.” (220 ILCS 5/16-107.5(b)). “Interconnection” is the process, through which, such a retail customer connects to an “electric provider,” which is defined in the Statute as an “electric utility” or an “alternative retail electric supplier” (an “ARES”). (220 ILCS 5/16-107.5).

An Administrative Law Judge’s Proposed Order issued on October 24, 2007. No party voiced any objection to the contents of this Order.

The Federal Statutory Requirements

Previously, however, on July 26, 2006, this Commission issued an Order commencing the instant docket. It commenced this docket to address federal Energy Policy Act of 2005 (the “EPAAct”), which requires every state commission to consider 16 U.S.C. Sec. 2621(d)(15). (See, 16 U.S.C. Sec. 2621(a); 16 U.S.C Sec. 2622(b)(5)(B)). The statute to be considered provides, in pertinent part:

(15) Interconnection. – Each electric utility shall make available, upon request, interconnection service *to any electric consumer that the electric utility serves*. For purposes of this paragraph, the term 'interconnection service' means service to an electric consumer under which an on-site generating facility on the consumer’s premises shall be connected to the local distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers: IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time. In addition, agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

(16 U.S.C. Sec. 2621(d)(15)). (Emphasis added). IEEE Standard 1547 establishes the technical specifications for, and testing of, interconnection. It sets forth requirements regarding the performance, operation, testing, safety and maintenance necessary for interconnection.

Thus, pursuant to the requisites in the federal EPAAct, in this docket, this Commission has been in the process of developing standards for interconnection since July 26, 2006. The parties to this docket and Commission Staff have filed comments,

and attended numerous workshops and status hearings. Also, on July 25, 2007, this Commission issued an Interim Order, in which, it adopted IEEE Standard 1547. These parties remain in the process of developing standards regarding interconnection.

The federal law (16 U.S.C. Sec. 2621(d)(15)) only applies to large suppliers of electricity, which are the Ameren utilities, Commonwealth Edison Company and MidAmerican Energy Co. Thus, to date, these three entities are the only electric providers that have actively participated in the instant docket. However, the new state law, the Net Metering Statute, could apply to a greater number of electrical providers than the three electric utilities that were just previously mentioned.

This Order is being issued to inform all entities that may be subject to the new state law, but were not subject to the federal law, of the existence of this docket, which concerns the development of standards regarding electrical interconnection.

Therefore, the Commission's Chief Clerk is directed to serve a copy of this Order upon all electric utilities subject to this Commission's jurisdiction, including, but not limited to, alternative retail electric suppliers.

The next status hearing in this docket will convene at the Commission's Chicago office on December 18, 2007 at 1:00 p.m.

By Order of the Commission this 20th Day of November, 2007.

(SIGNED) CHARLES E. BOX

Chairman